

Charity Gaming Frequently Asked Questions

1. Who may conduct charity gaming in Indiana?

Only organizations that have been qualified by the Charity Gaming Division (“Division”) of the Indiana Gaming Commission (“Commission”) and hold the appropriate gaming license or approval may conduct charity gaming events in Indiana.

2. How does an organization become qualified by the Commission for charity gaming purposes?

In order to meet the definition of “qualified organization,” an organization must be a non-profit religious, educational, senior citizens, veterans, or civic organization that is exempt from taxation under Section 501 of the Internal Revenue Code and has been in existence in Indiana for at least three (3) years; a bona fide political organization operating in Indiana that produces exempt function income; a state educational institution; a bona fide national organization operating in Indiana; a bona fide national foundation; a bona fide state organization; a bona fide state foundation; a bona fide business organization; a hospital; a health facility; or a psychiatric facility. See Indiana Code 4-32.2-2-24.

In order to become qualified, an organization may submit the Qualification Application Form CG-QA) to the Commission along with the organization’s Federal Determination Letter, by-laws/articles of incorporation, proof of continuous existence, and any other information required by the Commission. Form CG-QA may be found on the Commission’s website at www.in.gov/igc. Once the Commission has verified that an organization meets the “qualified organization” requirements, it may submit an application(s) for gaming license(s) to conduct a charity gaming event(s).

3. May a for-profit business conduct charity gaming events?

No, only qualified organizations may obtain authorization to conduct a charity gaming event. In order to meet the statutory requirements to be qualified, an organization must operate without profit to its members and be exempt from taxation under Section 501 of the Internal Revenue Code, among other requirements. See Indiana Code 4-32.2-2-24.

4. What types of events may be conducted for charity gaming purposes?

Allowable charity gaming events include bingo; charity game nights (which include card, dice, roulette, or spindle games); a raffle (including 50/50 drawings); a door prize drawing; a festival; the sale of pull tabs, punchboards, or tip boards; a water race event; a guessing game event; and certain games of chance approved by the Commission.

5. What type of license is necessary to conduct a charity gaming event?

The different types of licenses may be found on the Commission website at www.in.gov/igc under “Charity Gaming” and “License Types and Related Activities.” Depending on the desired license, a qualified organization may decide which license

application to submit to the Division. License applications may be found on the Commission website.

6. How long is a gaming license valid?

Annual gaming licenses issued by the Commission are valid for a period of one year from the date of issue, and must be renewed annually. A list of current qualified organizations and gaming licenses may be found on the Commission website at www.igc.in.gov under “Charity Gaming” and “Qualified Organizations – Current License and Expiration.” Single event licenses may be obtained for an event to be held on a specific date, time and location.

7. May a qualified organization ever conduct a charity gaming event without a license?

A qualified organization is not required to obtain a license from the Commission if the value of all prizes awarded at the bingo event, charity game night, raffle event, door prize event, or festival event, including prizes from pull tabs, punchboards, and tip boards, does not exceed One Thousand Dollars (\$1,000.00) for a single event and not more than Three Thousand Dollars (\$3,000.00) during a calendar year. These are known as exempt events. A qualified organization must still obtain approval for an exempt event by submitting an Exempt Event Notification (Form CG-EN) to the Division prior to the event. Form CG-EN may be found on the Commission website at www.in.gov/igc. An organization need not submit both the Qualification Application (Form CG-QA) and Exempt Event Notification (Form CG-EN), as the Exempt Event Notification will serve as both. If approved, the qualified organization is still responsible for meeting other relevant charity gaming requirements, including maintaining accurate financial records for the event.

8. What are the fees and processing times for the various applications?

The fee for the first gaming license of any type is Fifty Dollars (\$50.00). Renewal fees for gaming licenses are based on a graduating scale according to the organization’s adjusted gross income from previous like events. See Indiana Code 4-32.2-6 and 68 Indiana Administrative Code 21-2-6 for further detail. There are no fees required for the Qualification Application (Form CG-QA) or Exempt Event Notification (Form CG-EN).

The processing time for the Qualification Application (Form CG-QA) is approximately one hundred and twenty (120) business days. The processing time for an Exempt Event Notification (Form CG-EN) is approximately twenty one (21) business days. The processing time for a particular gaming license application is approximately forty five (45) business days. If the Qualification Application is submitted with a gaming license application, they will be processed together and may take approximately one hundred and twenty (120) business days.

9. Who may serve as operators and workers at charity gaming events? May they be paid?

A qualified organization may only use members of their organization as operators or workers of a charity gaming event. Operators and workers may not receive remuneration.

To serve as an operator of charity gaming events, an individual must be a member in good standing of the qualified organization for at least one (1) year at the time of the event; or, in the case of an annual raffle or pull-tab, punchboard, and tip board license, be a paid bartender of the organization.

To serve as a worker of charity gaming events, an individual must be a member in good standing of the qualified organization for at least thirty (30) days at the time of the event. Note that a qualified organization may use a non member as a worker if the individual is a member of another qualified organization and the participation is approved in advance by the Commission using the Non-Member Participation Approval Form (Form CG-NPA), available on the Commission website at www.in.gov/igc.

10. What are the responsibilities of operators and workers at charity gaming events?

Operators are responsible for performing functions directly associated with critical aspects of gaming activities, including, but not limited to: accounting for money received and distributed at the event; keeping records of the event; announcing letter-number combinations at bingo events; conducting winning draws; determining winners; controlling distribution and redeeming pull-tabs, punchboards, or tip boards; or performing tasks of a worker.

Workers are responsible for duties including, but not limited to: selling pull-tabs, punchboards, tip boards, bingo supplies, or tickets to an event; dealing cards at card games other than a qualified card game; and redeeming pull-tabs, punchboards, and tip boards valued at less than fifty dollars (\$50.00).

11. May operators and/or workers participate in charity gaming events?

An individual serving as an operator or worker may not participate in an allowable event on the same day he/she served or will serve as an operator or worker for the qualified organization. Some specific exceptions exist to that general rule, including that a person serving as a worker under a festival license may participate in a gaming event at the festival as long as the worker is not participating in the game while also assisting in conducting the game. However, that festival worker is prohibited from participating in a pull-tab, punchboard, or tip board game the same calendar day that he/she worked.

Additionally, a worker at a bingo event whose duties are limited to selling bingo supplies or tickets for a door prize drawing or raffle conducted at the bingo event, and who has completed all of his/her duties before the start of the first bingo game of the bingo event and who is not engaged as a worker at any other time during the bingo event may participate as a player in any game offered at the bingo event after the completion of the worker's duties.

12. May an individual be listed as an operator for more than one organization at a time?

An individual can be an operator on the charity gaming license of up to three (3) separate organizations as long as the individual meets the requirements to serve as an operator for each organization.

13. Are silent or live auctions considered charity gaming events?

Typical live or silent auctions conducted by allowing participants to bid on items do not require approval from the Commission, but participants may not risk money or other consideration. However, depending on how an auction event is conducted, approval may be required.

14. Are qualified organizations required to keep financial records on charity gaming events?

Yes, the organization is required to maintain accurate records of all financial aspects of each charity gaming event and comply with reporting requirements, including, but not limited to, the submission to the Commission of a single event and/or annual gaming license financial report; and a single event and/or annual gaming license gross receipts report. Additionally, the Commission requires each organization to complete the appropriate Event Summary Report for each event conducted, which assists the organization in the completion of the required financial reports. All Event Summary Reports and other financial reports must be maintained by the organization and made available to the Commission upon request.

All financial reporting forms may be found on the Commission website at www.in.gov/igc. All financial records must be maintained for at least three (3) years.

15. Are qualified organizations required to keep charity gaming funds and proceeds separate from other organization funds?

Yes, upon being qualified, an organization is required to open and maintain one separate and segregated charity gaming checking account to account for all funds received and expenses derived from charity gaming activities. Gaming funds may be used for charity gaming purposes and used to further the purpose of the organization. A non-exhaustive list of allowable expenses for gaming funds may be found on the Commission website at www.in.gov/igc.

16. May organizations sell raffle tickets on the internet?

No, an organization may not sell raffle or other charity gaming event tickets over the internet, or otherwise conduct a charity gaming activity on or through the internet in any way.

17. May a qualified organization advertise a charity gaming event via the Internet?

Organizations may advertise charity gaming activities via printed media including flyers, posters, newspapers, on Internet websites etc. All advertising must have the name of the organization and the current valid license number listed and bolded. Any

broadcast media advertising must include the organization name and a statement that the current valid license number is on file.

18. May I purchase tickets, bingo boards, etc. with my credit card at a charity gaming event?

Qualified organizations may not allow participants to use credit cards for charity gaming activities. Organizations may only accept cash, checks or debit cards.

19. Are there limitations on the value of prizes/payouts for raffles, door prize drawings, etc.?

Depending on the type of gaming license held by an organization, there may be limitations on the maximum or total value of prizes awarded for a gaming event. For additional detail, please see the list of different types of licenses, which may be found on the Commission website at www.in.gov/igc under “Charity Gaming” and “License Types and Related Activities.”

20. Does the Commission require a qualified organization to submit any information about the winner of a raffle?

For purposes of charity gaming, no information is required to be obtained from raffle winners. However, organizations must verify the winner of a prize using any reasonable means the organization considers necessary. Contact the Indiana Department of Revenue and the Internal Revenue Service regarding other tax related implications.

21. If a business has a type II gaming license and is approved for pull-tabs in the facility, are they permitted to host a Poker Run or other gaming?

The Charity Gaming Division of the Indiana Gaming Commission doesn’t regulate Type II Gaming conducted by bars and taverns. Please contact the Alcohol and Tobacco Commission to inquire what may be conducted at bars and taverns under a Type II Gaming Permit.

22. My organization previously held a gaming license and conducted bingo events, but does not do so anymore. What are our options for the sale or donation of our bingo equipment?

Bingo equipment may be sold to an Indiana entity if the entity is *not* going to use it for charity gaming purposes. The equipment could be sold to a local senior center to be used for their entertainment purposes, or sold to an entity outside of Indiana.

In addition, a qualified organization may sell licensed supply to a licensed distributor *if* the qualified organization has ceased gaming; is upgrading equipment; or the distributor has previously notified and obtained permission from the Commission.

Qualified organizations may only purchase gaming equipment from a licensed distributor. Gaming equipment may be donated by a qualified organization to another

qualified organization as long as a copy of the bill of sale from a licensed distributor or a properly completed grandfathered letter issued by the Charity Gaming Division may be produced.

23. What is a Volunteer Ticket Agent (VTA) and in what circumstances may they sell an organization's raffle tickets?

Prior to utilizing a volunteer ticket agent, the qualified organization must submit the name, address, telephone number, and name of the general manager of any retail establishment whose employees will serve as volunteer ticket agents. Qualified organizations may use volunteer ticket agents to sell tickets to an allowable event held under certain single event licenses (raffle license, door prize license, festival license, water race license, and guessing game license). The volunteer ticket agent may not receive any compensation and may not assist in conducting the allowable event in any other way.

24. When and where may an organization sell raffle tickets?

An organization may begin selling raffle tickets anywhere in Indiana after the organization has become qualified and obtained the appropriate gaming license. Note that the drawing for the winning ticket must be conducted at the location listed on the gaming license.

Indiana statutes governing charity gaming may be found in Indiana Code 4-32.2, while governing regulations may be found in 68 Indiana Administrative Code 21.

Additional information may be found on the website for the Charity Gaming Division of the Indiana Gaming Commission: <http://www.in.gov/igc/2339.htm> or by contacting the Charity Gaming Division at (317)232-4646.